

**Cost vs. Revenue Analysis for a LEC Providing Service
to an End User of an ISP Served by Another LEC**

ILLINOIS

OFFICIAL FILE

COST INPUT VALUES:

ILL. C. C. DOCKET NO.

00-0029

Ameritech Ill.

Exhibit No.

1.2

Witness

Eric Forst

Date 3-16-00

Jr

\$9.71	Basic Residence Voice Grade Loop Cost
\$5.01	Basic Residence Voice Grade Switch Port Cost
\$9.21	Basic Business Voice Grade Loop Cost
\$5.01	Basic Business Voice Grade Switch Port Cost
\$0.14	Basic Voice Grade Cross-Connect Cost
\$0.001333	End Office Switching Cost per MOU
\$0.000946	Tandem Switching Cost per MOU
\$0.000201	Transport Termination Cost per MOU
\$0.000013	Transport Minute/Mile Cost per MOU
50%	Percent Calls Tandem Routed
20	Avg Transport miles per call
\$0.002367	(computed) Network cost per Minute for LEC Serving End User
19.40%	Wholesale Resale Discount Percentage (Retailing Costs)

REVENUE INPUT VALUES:

\$7.66	Monthly Rate for basic Residence Access Line
\$5.40	Monthly Rate for Non-Primary Residence EUCL (FCC)
\$0.06	Monthly Rate for Non-Primary Residence EUCL and PICC (State)
\$10.09	Monthly Rate for basic Business Access Line
\$5.40	Monthly Rate for Multiline Business EUCL (FCC)
\$0.06	Monthly Rate for Multiline Business EUCL and PICC (State)
\$0.0411	Per-Call Rate for Residence Local Call to ISP
\$0.4150	Per-Call Rate for Business Local Call to ISP

OTHER INPUT VALUES:

26	Average Minutes per ISP Call
39	Online Hours per Month for End User
90	(computed) Calls per Month for End User
18%	Percentage of ISP Access Traffic Originating from Business End Users

RESULTS:

\$18.32	Monthly Fixed Cost Per End User for LEC Serving End User
\$6.87	Monthly Usage Cost Per End User for LEC Serving End User
\$13.55	Monthly Fixed Revenues Per End User for LEC Serving End User
\$9.76	Monthly Usage Revenues Per End User for LEC Serving End User

(\$4.77)	Monthly Fixed Surplus or (Shortfall) Per End User for LEC Serving End User
\$2.89	Monthly Usage Surplus or (Shortfall) Per End User for LEC Serving End User
(\$1.88)	Monthly Total Surplus or (Shortfall) Per End User for LEC Serving End User

\$0.0058	Cost to Originate 3-1/2 Minute Voice Call (Switching Only)
\$0.0103	Cost to Originate 3-1/2 Minute Voice Call (Switching plus Transport)
\$0.0430	Cost to Originate 26 Minute Internet Call (Switching Only)
\$0.0764	Cost to Originate 26 Minute Internet Call (Switching plus Transport)